

City of New London

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November 3, 2008

Senator Andrea Stillman
5 Coolidge Court
Waterford, CT 06385

Representative Ernest Hewett
29 Colman Street
New London, CT 06320

Representative Ted Moukawsher
48 West Elderkin Avenue
Groton, CT 06340

Subject: Land Value Tax

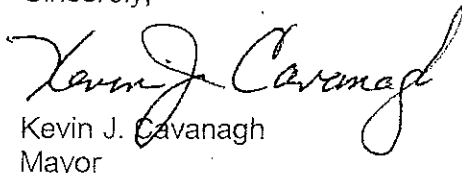
Dear Legislators:

The City Council of New London unanimously approved on October 9, 2008 a resolution requesting your support for enabling legislation which would allow cities and towns the use, at their discretion, of a land value tax process. Such a tax would provide municipalities a means to shift revenues over time from the present building structure evaluation to a land valuation based taxation system. Support for this methodology and structural change exists in New Haven and Hartford, and additional cities and towns are evaluating the land value tax.

Arthur Costa of the New London Land Value Tax Work Group is the prime contact for both information and development of proposed legislation. He may be reached at (860) 439-0016 or by email at artebova@sbcglobal.net. The attached document was prepared by the Work group to illustrate conclusions of several studies concerning the proposed process.

Please consider supporting and co-sponsoring legislation involving the land value tax.

Sincerely,


Kevin J. Cavanagh
Mayor

cc: Jim Butler, SCCOG

ATTACHMENT

Here are just some of the results that over 260 empirical studies have consistently demonstrated the following outcomes:

- City economic development increases substantially over time due to the reduction in penalizing such activity while obtaining land-based revenues for the operation of the city, schools and social services.
- As a result of the above benefit, taxable properties begin to prove a stronger city-wide tax base, thus stabilizing the current struggle with a smaller and smaller tax base to pay for more of the City's needs.
- Cities require less State supplied funding. This has the value of helping to create a self-sufficient local economy which is not a burden to the State as a whole and provides local citizens with solutions which meet local needs rather than generic state-funded solutions.
- LVT meets the criteria set by tax experts (which no other form of taxation meets). It is easy to administer, it is progressive and fair, neutral in its impact on the local real economy, provides a sufficient revenue source to support annual budgets. In a word, LVT support the development of a working economy, by reducing speculation, freeing up vital property for economic activity, and rewarding "good" economic activity over vacant lots and buildings.
- LVT, over time, reduces sprawl and the associated environmental and total cost that is the result of inefficient use of land. In turn, LVT helps to protect farm and outlying forests and country-sides.
- LVT has the effect, over time, of re-invigorating Cities as vitally important places to live and work. Dense cities reduces the use of precious resources, particularly those requiring the direct use of energy.
- LVT has been endorsed by hundreds of national organizations and renowned individuals (Albert Einstein, John Dewey, Winston Churchill, among others). LVT endorsements include national Sierra Club, Smart Group, State legislators throughout the USA.
- Overtime, housing stock increases, thus promoting affordable homeownership and rental rates. LVT has been shown to reduce blight while increasing its opposite: development.
- Land use is better managed and efficiently utilized for the common wealth of the economic vitality of the City reversing the penalties on such activities we see today.